



Financial Accounting Manual

Introduction

AIChE has fiduciary responsibility for the management of funds it receives and disburses. A system of internal controls is in place to ensure that transactions are authorized and recorded in a timely and accurate manner. Additionally, the Board of Directors has engaged independent auditors to test this system of internal controls and examine the annual financial statements based on data prepared by AIChE finance and accounting staff. The following policies are designed to protect both AIChE and volunteer officers of the divisions and forums from claims of financial malfeasance.

The accompanying procedures and policies describe the break out of management responsibility between the AIChE headquarters organization and the volunteer officers of the divisions and forums.

General Policy

The divisions and forums are responsible for their own activities (establishing membership dues, scheduling events, presenting awards, contracting as necessary with suppliers of goods and services in accordance with AIChE's system of internal control compliance with conflict of interest policies). AIChE is responsible for (1) approval of contracts and commitments beyond a established threshold and (2) provision of cash management and accounting services for the divisions and forums.

The cash receipts and disbursements resulting from division and forum operations be held as part of the Institute's general funds, consistent with the way in which they have always been considered for audit and reporting purposes. Each division and forum treasurer or another designated officer will receive reports of the activity from AIChE's Controller on a monthly or quarterly basis as requested by each division or forum. All division and forum treasurers are sent their specific chart of accounts on a periodic basis.

Policies

Contracting/Commitments

Any contract which commits a division or forum to spend more than \$2,500 must be reviewed and approved by the staff liaison for your division or forum and the Director of Finance. AIChE's staff liaison will coordinate this process.

Conflict of Interest Policy

Division and forum members responsible for selecting vendors must adhere to the current AIChE Conflict of Interest Policy (Attachment 1).

Financial Statements

AIChE, on a monthly or quarterly basis or as requested by the division or forum, will issue operating statements (Revenues – Expenses) to each division or forum treasurer. AIChE's Controller will generate these reports.

Fund Balance

The fund balance is increased or decreased each year by the surplus or deficit incurred by the division or forum for the year.

Earnings on Fund Balance

For simplicity, the division or forum will elect prior to December 31 each year whether to accept the results of AIChE's investment portfolio or the ~~year~~ CD rate as published by Citibank

Please note that both AIChE's Director of Finance and Controller are required to be signatories on the bank account.

Records for expenditures paid from the petty cash fund are to be maintained by the division or forum treasurer or their designee. Liability for the petty cash rests with the person or persons who have signatory authority over the fund.

Once that fund is depleted (with adequate amount remaining on hand to cover two weeks worth of payments) and an accounting of all expenditures exceeding \$25 has been made to AIChE's Controller, a check will be drawn payable to the division or forum, bringing the fund back to the agreed bal

Year-End Processing

Attachment 1

CONFLICTS OF INTEREST

1. Division and Forum officers should avoid any situation, which involves or may involve a conflict between their personal interests and those of the Institute. Each Division and Forum Officer shall make prompt and full disclosure in writing to the staff liaison for your division or forum of any situation, which may involve a conflict of interest. This includes:
 - a. Ownership by a Division or Forum Officer, or, to the Division or Forum Officer's knowledge, by a member of the Division or Forum Officer's family or the Division or Forum Officer's close associate(s), of a significant financial interest in any outside enterprise which does or seeks to do business with the Institute;
 - b. Serving as a director, officer, partner, consultant, or in a managerial or technical position with any enterprise which does or is seeking to do business with the Institute; b.

Attachment 2

Earnings on Fund Balance Resolution

TO: AIChE Controller

The _____ (Division or Forum name) hereby resolves that its account balance investment portfolio should be changed to the following mix, effective as of January 1, _____, and continuing for future years until this resolution is amended.

AIChE Investment Portfolio: _____%

1-Year Ce

Attachment 3

For the period	From	To	Amounts
Opening fund balance	12/1/2013	12/15/2013	\$ 2,500.00
Plus:			
Reimbursement Check Received			\$ -
Total fund balance			\$ 2,500.00

Receipts:

Meeting	-
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Attachment 4

Account Codes